



# The Scottsdale/Paradise Valley Tourism Study — *Part I: Lodging Statistics*



January 2013

Economic Development Department



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## Part I: Lodging Statistics

### January 2013

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## I. STUDY OVERVIEW

### Part I: Lodging Statistics

Part I of *The Scottsdale/Paradise Valley Tourism Study* analyzes trends relating to the lodging industry in the Scottsdale/Paradise Valley tourist market area. The study looks specifically at trends in local transient occupancy tax (bed tax) collection, room inventory, average room rates, occupancy rates, and other factors relating to lodging trends. The Lodging Statistics study is designed to provide necessary data relating to the lodging industry for developers, local hoteliers, tourism marketing representatives, financing agencies, and others with an interest in hospitality industry trends.

*The Scottsdale/Paradise Valley Tourism Study, Part I: Lodging Statistics* report is prepared annually and is available at no charge from the City of Scottsdale Economic Development Department, or <http://www.scottsdaleaz.gov/economics>.

The Economic Development Department welcomes your input and suggestions for changes and additions in future issues of this publication, and is pleased to grant permission to use excerpts from this material when credit is given to the City of Scottsdale.

While information in this report is deemed accurate, no guarantees are made or implied. Users should rely on their own research and conclusions regarding the conditions and viability of the Scottsdale lodging market.

### Part II: Visitor Statistics

Part II of the Tourism Study deals with trends relating to tourists themselves. It examines the total number of tourists, their spending patterns and socio-demographic profiles, and the overall economic impact of the tourism industry in the study area. The Visitor Statistics study is designed to provide data that gives a profile of the type of tourist that comes to the area, and to evaluate the economic impact tourism has on the community.

*The Scottsdale/Paradise Valley Tourism Study, Part II: Visitor Statistics* report is prepared once a year, and is available at no charge from the City of Scottsdale Economic Development Department, or <http://www.scottsdaleaz.gov/economics>.

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## II. THE SCOTTSDALE/PARADISE VALLEY TOURISM STUDY: INTRODUCTION & LIMITATIONS

### Introduction

The economy of the Scottsdale/Paradise Valley area is integrally linked to the tourism industry. Yet, until the early 1990's, limited information existed on the impact of tourism on our economy. The lack of information made it difficult to predict the impacts of new developments, track changes in the market, or to understand the best way to promote the market.

The primary purpose of *The Scottsdale/Paradise Valley Tourism Study: Parts I and II* is to provide market information for the tourism, retail, and hospitality operations within the study area. The reports provide information to elected officials, city management, the general public, and private-sector entities regarding the tourism and hospitality markets.

### Did you know?

The economy of the Scottsdale/Paradise Valley area is integrally linked to the tourism industry.

### Study Limitations

Much of the information contained in the Lodging Statistics study is based on tax collection figures, and will therefore have certain limitations. Bed tax collection figures are used because they are consistently tracked and readily available, but it is important to remember these three points:

- ◇ The tax receipt figures shown for each month reflects actual sales tax and bed tax collections during the previous month. There is a lag of one month between sales activity and receipts.
- ◇ The data in this report (with the exception of room stock figures) is based primarily on properties located within the City of Scottsdale.
- ◇ With the exception of room stock data, no information is available for properties that lie just outside the corporate limits of the City of Scottsdale and the Town of Paradise Valley. It may be reasonable to assume the data for these properties would be very similar to similar properties in the market area, but no projections are made as part of this report.

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### III. EXECUTIVE SUMMARY

- ◇ Scottsdale's bed tax revenues totaled \$13,093,840 in 2011, up 44.6 percent from 2010. In 2010, the bed tax rates increased from 3% to 5%.
- ◇ Annual occupancy for the Scottsdale/Paradise Valley market area in 2011 was 61.2 percent, up from 60.3 percent in 2010.
- ◇ The Scottsdale/ Paradise Valley market area has absorbed nearly 1,600 rooms since 2002.
- ◇ The percentage of room revenue to total hotel revenues for the City of Scottsdale in 2011 was 62.6 percent.
- ◇ In the past 10 years, the bed tax has generated over \$86 million in revenue for the City of Scottsdale.
- ◇ The average room rate for Scottsdale/Paradise Valley market area hotels in 2011 was \$145.98, an increase from the 2010 average of \$136.99 per room.
- ◇ Hotel/motel sales tax revenues for the City of Scottsdale in 2011 rose 3.8 percent from 2010, totaling \$6,929,389 in collections.

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## IV. THE SCOTTSDALE/PARADISE VALLEY MARKET AREA

*Map 1* (p. 9) shows the boundaries of the Scottsdale/Paradise Valley market area, and the locations of market area hotels. The market area contains all of the City of Scottsdale and the Town of Paradise Valley; portions of the cities of Phoenix and Tempe; and parts of the towns of Carefree, Cave Creek, Fountain Hills, and the Salt River Pima Maricopa Indian Community (SRPMIC).

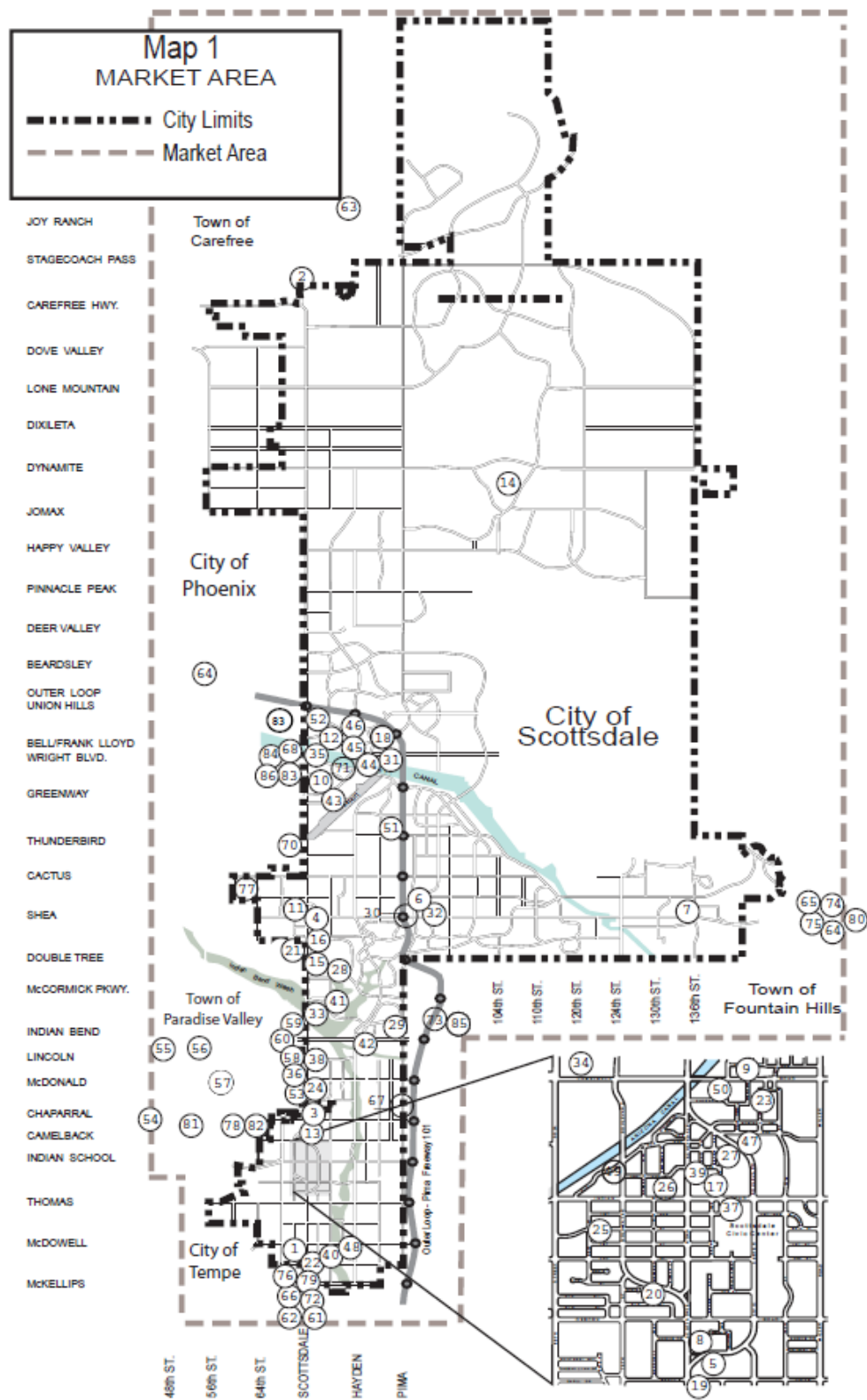
*Table 1* (p. 10) lists the hotels in the Scottsdale/Paradise Valley market area.

### Did you know?

The Scottsdale/Paradise Valley market area has 86 resorts and hotels, with over 16,735 rooms.







**Table 1**  
**Existing Scottsdale/Paradise Valley Market Area Properties**  
*(Transient Use Properties With 25 or More Rooms)*

<b>Scottsdale Properties</b>				
<b>Key</b>	<b>Property Name</b>	<b>Address</b>	<b>Web Address</b>	<b># Rooms</b>
1	Best Western Papago Inn	7017 E. McDowell Rd.	BestWestern.com	58
2	The Boulders	34631 N. Tom Darlington	theboulders.com	160
3	Chaparral Suites	5001 N. Scottsdale Rd.	Chaparralsuites.com	311
4	Holiday Inn Express North	7350 E. Gold Dust Ave.	Hiexpress.com	122
5	Comfort Suites	3275 N. Drinkwater Blvd.	Choicehotels.com	60
6	Country Inn & Suites	10801 N. 89th Pl.	Choicehotels.com	162
7	Courtyard by Marriott (Mayo)	13444 E. Shea Blvd.	Marriott.com	124
8	Courtyard by Marriott (Old Town)	3311 N. Scottsdale Rd.	Marriott.com	180
9	Best Western Sundial	7320 E. Camelback Rd.	bestwestern.com	54
10	Extended Stay America	15501 N. Scottsdale Rd.	Extendedstay.com	120
11	Extended Stay Deluxe	10660 N. 69th St.	extendedstaydeluxe.com	106
12	Fairmont Resort	7575 E. Princess Dr.	Fairmont.com	649
13	FireSky Resort & Spa	4925 N. Scottsdale Rd.	Fireskyresort.com	204
14	Four Seasons Resort	10600 E. Crescent Moon	Fourseasons.com/scottsdale	210
15	Gainey Suites	7300 E. Gainey Suites Dr.	Gaineysuiteshotel.com	162
16	Hampton Inn Scottsdale	10101 N. Scottsdale Rd.	Hamptoninn.com	130
17	Hilton Garden Inn (Old Town)	7324 E. Indian School Rd.	Hilton.com	199
18	Hilton Garden Inn (Perimeter Ctr.)	8550 E. Princess Dr	Hilton.com	122
19	Holiday Inn Express	3131 N. Scottsdale Rd.	Holidayinnarizona.com	170
20	Homestead Scottsdale	3560 N. Marshall Way	Homesteadhotels.com	121
21	Homewood Suites by Hilton	9880 N. Scottsdale Rd.	Homewood-suites.com	114
22	Hospitality Suites	409 N. Scottsdale Rd.	Hospitalitysuites.com	210
23	Hotel Indigo Scottsdale	4415 N. Civic Center Plaza	Hamptoninn.com	126
24	The Clarion Hotel Scottsdale	5101 N. Scottsdale Rd.	Clarionscottsdale.com	211
25	Hotel Valley Ho	6902 E. 1st St.	Hotelvalleyho.com	193
26	Howard Johnson Scottsdale	7110 E. Indian School Rd.	howardjohnsonscottsdale.com	65
27	Hyatt Place (Old Town)	7300 E. 3rd Ave.	hyatt.com	127
28	Hyatt Regency Scottsdale	7500 E. Doubletree Ranch	scottsdale.hyatt.com	493
29	La Quinta	8888 E. Shea Blvd.	lq.com	140
30	Marriott at McDowell Mountain	16770 N. Perimeter Dr.	scottsdalemariott.com	270
31	Marriott TownePlace	10740 N. 90th St.	Marriott.com	131
32	Millennium (McCormick Ranch)	7401 N. Scottsdale Rd.	Millenniumhotels.com	150
33	Motel 6	6848 E. Camelback Rd.	Motel6.com	122
34	Pima Inn & Suites	7330 N. Pima Rd.	scottsdalepimasuites.com	125
35	Residence Inn Scottsdale North	17011 N. Scottsdale Rd.	Marriott.com	120
36	Residence Inn Scottsdale/PV	6040 N. Scottsdale Rd.	Marriott.com	122
37	Saguaro Hotel	7353 E. Indian School Rd.	saguarohotel.com	194
38	Scottsdale Hilton Resort & Villa	6333 N. Scottsdale Rd.	Hilton.com	235
39	Scottsdale Marriott Suites	7325 E. 3rd Ave.	marriottsuitesscottsdale.com	243
40	Scottsdale Park Suites	1251 N. Miller Rd.	scottsdaleparksuites.com	95
41	Scottsdale Resort & Conference Ctr.	7700 E. McCormick Pkwy.	thescottsdaleresort.com	326
42	Scottsdale Resort & Athletic Club	8235 E. Indian Bend Rd.	scottsdaleresortandathleticclub.com	85
43	Scottsdale Thunderbird Suites	7515 E. Butherus Dr.	thunderbirdsuiteshotel.com	120
44	Scottsdale Links Resort	16858 N. Perimeter Dr.	scottsdalelinks.com	220
45	Scottsdale Villa Mirage	7887 E. Princess Blvd.	Villa-mirage.com	224

**Table 1 (Continued)**  
**Existing Scottsdale/Paradise Valley Market Area Properties**  
**Scottsdale Properties (Continued)**

Key	Property Name	Address	Web Address	# Rooms
46	Sheraton's Desert Oasis	17700 N Hayden Rd.	starwoodhotels.com/sheraton	300
47	Hyatt House (Old Town)	4245 N. Drinkwater Dr.	scottsdale.house.hyatt.com	164
48	Three Palms Resort Oasis	7707 E. McDowell Rd.	scottsdale-resort-hotels.com	119
49	Travelodge Scottsdale 5th Ave.	6935 E. 5th Ave.	travelodge.com	92
50	W Hotel	7277 E. Camelback Rd.	wscottsdalehotel.com	224
51	Wingate by Wyndham Scottsdale	14255 N. 87th St	wingatehotels.com	117
52	Zona Resort Suites	7677 E. Princess Blvd.	Resortsuites.com	431
<b>Total Scottsdale Properties</b>				<b>9,332</b>
<b>Paradise Valley Properties*</b>				
53	Doubletree Paradise Valley Resort	5401 N. Scottsdale Rd.	Doubletree.com	378
54	Hermosa Inn	5532 N. Palo Cristi Dr.	Hermosainn.com	34
55	InterContinental Montelucia	4949 E. Lincoln Dr.	icmontelucia.com	293
56	Marriott JW Camelback Inn	5402 E. Lincoln Dr.	Marriott.com	453
57	Sanctuary Resort on Camelback	5700 E. McDonald Dr.	Sanctuaryaz.com	105
58	Scottsdale Cottonwoods Resort	6160 N. Scottsdale Rd.	scottsdalecottonwoods.com	171
59	Scottsdale Plaza Resort	7200 N. Scottsdale Rd.	Scottsdaleplaza.com	404
60	Smoke Tree Resort	7101 E. Lincoln Dr.	Smoketreeresort.com	26
<b>Total Paradise Valley Properties</b>				<b>1,864</b>
<b>Other Market Properties (Carefree, Fountain Hills, Phoenix, Tempe, SRPMIC)*</b>				
61	Aloft Tempe	951 E. Playa del Norte Dr.	alofttmepe.com	136
62	Best Western Inn of Tempe	670 N. Scottsdale Rd.	bestwesternarizona.com	107
63	Carefree Resort & Villas	37220 N. Mule Train Rd.	Carefree-resort.com	234
64	Comfort Inn (Fountain Hills)	17105 E. Shea Blvd.	Choicehotels.com	48
65	CopperWynd (Fountain Hills)	13225 Eagle Ridge Dr.	Copperwynd.com	32
66	Country Inn & Suites (Tempe)	808 N. Scottsdale Rd.	countryinns.com	83
67	Courtyard by Marriott (SRPMIC)	5201 N. Pima Rd.	Marriott.com	158
68	Courtyard by Marriott (North)	17010 N. Scottsdale Rd.	Marriott.com	153
69	Desert Ridge Marriott (Phoenix)	5350 E. Marriott Dr.	Desertridgeresort.com	950
70	Fairfield Inn (North)	13440 N. Scottsdale Rd.	Marriott.com	131
71	Hampton Inn/Suites (North)	16620 N. Scottsdale Rd.	Hamptoninn.com	123
72	Hampton Inn/Suites (Tempe)	1429 N. Scottsdale Rd.	Hamptoninn.com	162
73	Hampton Inn/Suites (SRPMIC)	9550 E. Indian Bend	Hamptoninn.com	101
74	Holiday Inn (Fountain Hills)	12800 N. Saguaro Blvd.	Holidayinn.com/fountainhills	104
75	Inn at Eagle Mountain	9800 Summer Hill Blvd.	innateaglemountain.com	42
76	Motel 6 (Tempe)	1612 N. Scottsdale Rd.	Motel6.com	100
77	Orange Tree Golf Resort (Phoenix)	10601 N. 56th St.	Orangetreegolfresort.com	160
78	The Phoenician (Phoenix)	6000 E. Camelback Rd.	thephoenician.com	643
79	Quality Suites	1635 N. Scottsdale Rd.	qualityinn.com	140
80	Radisson (Fort McDowell)	10438 N. Ft. McDowell Rd.	radisson.com/ftmcdowellaz	246
81	Royal Palms Inn (Phoenix)	5200 E. Camelback Rd.	royalpalmsotel.com	119
82	Scottsdale Camelback Resort (Phx)	6302 E. Camelback Rd.	Scottsdalecamelback.com	111
83	Sleep Inn (Phoenix)	16630 N. Scottsdale Rd.	Choicehotels.com	107
84	Springhill Suites (Phoenix)	17020 N. Scottsdale Rd.	Marriott.com	121
85	Talking Stick Resort (SRPMIC)	9800 E. Indian Bend Rd.	Talkingstickresort.com	496
86	Westin Kierland Resort (Phoenix)	6902 E. Greenway Pkwy.	Kierlandresort.com	732
<b>Total Other Market Properties</b>				<b>5,539</b>

Source: City of Scottsdale, Economic Development Department

\*These properties do not pay bed taxes or hotel sales taxes to the City of Scottsdale, & not all are included in the Scottsdale market data.

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## V. TRENDS IN TAX COLLECTION

### Transient Occupancy Tax (Bed Tax)

The City of Scottsdale has a five percent transient occupancy tax (bed tax). In the past ten years, the bed tax has generated over \$86 million in revenue for the City. A recent financial policy was approved by City Council allocating bed tax funds on a percentage basis toward the City's general fund, destination marketing, tourism related capital projects, tourism events, and research.

*Table 2* (p. 13) presents monthly and yearly breakdowns of the bed tax receipts for Scottsdale from calendar year 2002 through 2011. During 2011, the City collected \$13,093,840 in bed taxes, a 44.6 percent increase from 2010 collections. The increase in bed tax collections can be attributed to the change in the bed tax collection percentage rate as well as an increase in collections due to a strengthening Scottsdale tourism industry. Offsetting the increase is the bed tax percentage rate from 3 to 5 percent. Bed tax collections increased by 5.9 percent when compared to 2010.



### Sales Tax

In addition to bed tax, the City of Scottsdale tracks collection of the transaction privilege (sales) and use tax (1.65 percent) on all sales transactions in hotels. Maintaining a separate listing of all sales taxes received from hotels and motels provides a mechanism to track visitor purchasing trends.

Sales tax revenues generated by hotel/motel properties in 2011 totaled \$6,929,389, a 3.8 percent increase from 2010. Around 43 percent of the revenues in this category were generated during the peak season (mid-January through April). Since 2002, the hotel/motel sales tax has generated over \$71 million in revenues for the City of Scottsdale.

*Table 3* (p. 14) enumerates sales tax collected from Scottsdale hotels and motels since 2002.

### Did you know?

In the past ten years, the bed tax has generated over \$86 million in revenue for the City of Scottsdale.

**Table 2**  
**Monthly Bed Tax Receipts in Dollars**  
**City of Scottsdale**

*(5% Bed Tax Rate as of July 2010)*

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
2002	\$449,985	\$775,851	\$862,460	\$1,100,792	\$787,004	\$535,965	\$312,734	\$239,386	\$279,403	\$344,487	\$587,069	\$571,710	\$6,846,846
2003	\$471,792	\$746,800	\$897,381	\$1,003,655	\$737,465	\$504,220	\$304,820	\$243,645	\$264,186	\$382,989	\$602,385	\$553,865	\$6,713,203
2004	\$505,451	\$768,241	\$975,676	\$1,154,875	\$853,472	\$557,396	\$364,844	\$281,293	\$288,503	\$423,155	\$638,982	\$627,781	\$7,439,669
2005	\$537,716	\$836,835	\$1,028,404	\$1,255,394	\$1,005,729	\$645,984	\$399,428	\$331,683	\$361,974	\$506,242	\$684,021	\$682,816	\$8,276,226
2006	\$701,101	\$966,366	\$1,065,586	\$1,373,686	\$1,123,309	\$702,111	\$472,291	\$371,782	\$379,088	\$556,836	\$832,095	\$830,766	\$9,375,017
2007	\$693,215	\$1,145,222	\$1,132,446	\$1,427,745	\$1,098,091	\$751,622	\$504,334	\$365,852	\$403,225	\$558,736	\$871,790	\$789,492	\$9,741,770
2008	\$629,853	\$1,065,634	\$1,361,716	\$1,395,675	\$1,057,041	\$710,413	\$412,163	\$294,899	\$373,040	\$508,832	\$730,114	\$739,333	\$9,278,713
2009	\$567,325	\$838,870	\$886,188	\$1,039,177	\$748,393	\$484,786	\$366,474	\$287,445	\$293,820	\$371,649	\$547,610	\$653,810	\$7,085,548
2010	\$496,390	\$746,527	\$828,485	\$1,150,123	\$783,160	\$560,558	\$393,529	\$468,069	\$481,170	\$634,850	\$1,518,628	\$990,792	\$9,052,282
2011	\$897,368	\$1,439,693	\$1,490,790	\$2,112,133	\$1,412,304	\$1,038,318	\$642,135	\$551,811	\$522,553	\$749,610	\$1,118,386	\$1,118,739	\$13,093,840
% of 2011 Total	6.9%	11.0%	11.4%	16.1%	10.8%	7.9%	4.9%	4.2%	4.0%	5.7%	8.5%	8.5%	100%
Avg % of 10 yr Total	6.8%	10.7%	12.1%	15.0%	11.1%	7.5%	4.8%	4.0%	4.2%	5.8%	9.4%	8.7%	100%

Source: City of Scottsdale, Tax Audit Department

**Note:** Bed tax rate 3% to July 2010; 5% thereafter. Bed tax is normally received by the City the month after it is collected by the property. Therefore, the figures above generally reflect activity in the *previous month*, and do not account for late payments.



Table 3													
Monthly Hotel/Motel Sales Tax Receipts													
City of Scottsdale													
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
2002	\$466,068	\$575,936	\$614,064	\$792,876	\$620,555	\$472,598	\$314,162	\$199,436	\$221,330	\$309,471	\$472,485	\$476,151	\$5,535,132
2003	\$401,062	\$553,865	\$648,648	\$714,211	\$582,669	\$457,299	\$278,415	\$209,706	\$229,814	\$341,882	\$489,418	\$466,400	\$5,373,389
2004	\$418,115	\$590,904	\$733,957	\$794,481	\$663,302	\$505,342	\$324,116	\$262,045	\$296,537	\$412,645	\$634,702	\$616,020	\$6,252,166
2005	\$492,499	\$742,486	\$955,659	\$844,517	\$842,451	\$611,610	\$433,610	\$337,112	\$347,981	\$505,882	\$682,998	\$751,547	\$7,548,352
2006	\$600,887	\$869,474	\$903,148	\$1,174,554	\$999,726	\$706,356	\$511,719	\$387,072	\$327,226	\$582,029	\$803,072	\$793,331	\$8,645,390
2007	\$780,696	\$975,356	\$1,055,525	\$1,196,209	\$984,026	\$776,973	\$537,883	\$381,264	\$400,036	\$562,435	\$843,962	\$766,421	\$9,260,786
2008	\$592,259	\$895,245	\$1,137,945	\$1,154,901	\$966,741	\$745,421	\$457,592	\$335,484	\$366,765	\$519,887	\$758,464	\$747,485	\$8,678,189
2009	\$547,862	\$731,660	\$729,751	\$864,429	\$673,149	\$488,280	\$376,734	\$287,040	\$280,578	\$385,472	\$515,900	\$612,231	\$6,493,087
2010	\$440,919	\$677,912	\$735,942	\$964,132	\$740,407	\$566,477	\$414,722	\$283,426	\$280,156	\$345,904	\$647,243	\$577,022	\$6,674,262
2011	\$499,210	\$707,994	\$736,982	\$1,011,023	\$752,606	\$597,389	\$372,602	\$300,802	\$285,491	\$424,082	\$611,393	\$629,816	\$6,929,389
% of 2011 Total	7.2%	10.2%	10.6%	14.6%	10.9%	8.6%	5.4%	4.3%	4.1%	6.1%	8.8%	9.1%	100.0%
Avg % of 10yr Total	7.3%	10.3%	11.6%	13.3%	11.0%	8.3%	5.6%	4.2%	4.3%	6.1%	9.0%	9.0%	100.0%

**Source:** City of Scottsdale, Tax Audit Department

**Note:** Sales tax is normally reported to the City the month after receipt. The figures listed above generally reflect activity from the *previous month*, and do not account for late payments.

\*The sales tax rate increased from 1.4% to 1.65% on July 1, 2004.

## VI. TRENDS IN ROOM INVENTORY

### Room Supply

Table 4 reflects hotel room supply inventory for the study market area since 2002. Market area room inventory declined in 2004 and 2005, and once again in 2009. However, in 2010 and 2011 there were slight increases in room inventory and the market overall has grown by nearly 11 percent—about 1,600 rooms—during the past ten years

Table 5 shows the room inventory of the City of Scottsdale by category.

<b>Table 4</b> <b>Hotel Room Inventory</b> <i>Total Hotel Market Area Properties</i>				
<b>Year</b>	<b>City of Scottsdale</b>	<b>Town of Paradise Valley</b>	<b>Other Market Area Hotels</b>	<b>Total</b>
2002	8,769	2,174	4,149	15,092
2003	9,035	2,172	4,277	15,484
2004	8,848	1,835	4,166	14,849
2005	8,932	1,598	4,141	14,671
2006	9,021	1,564	4,679	15,264
2007	9,167	1,572	4,606	15,345
2008	9,444	1,865	4,928	16,237
2009	9,397	1,864	4,889	16,150
2010	9,354	1,862	5,375	16,591
2011	9,332	1,864	5,539	16,735

Source: Smith Travel Research (STR); City of Scottsdale, Economic Development Department

Note: Only hotel properties with 25 or more rooms are included

<b>Table 5</b> <b>Room Inventory by Category*</b> <i>City of Scottsdale - 2011</i>		
<b>Category</b>	<b># of Rooms</b>	<b>% of Market</b>
Resort	3,872	41%
Full Service	2,139	23%
Limited Service	3,321	36%
Total	9,332	100%

Source: Smith Travel Research, Economic Development Department

\*Only Scottsdale bed-tax paying properties counted.

## New Market Area Hotels

Due to economic conditions, growth in the local hotel market continued to be limited. The Howard Johnson Scottsdale in Downtown Scottsdale opened with 65 rooms March 2012. Outside of the Scottsdale area, Talking Stick Resort located in the Salt River Pima Maricopa Indian Community opened in 2010 with 496 rooms, along with the Hampton Inn and Suites (101) and the Courtyard by Marriott Scottsdale (158) which opened in early Spring 2012. Prior developments include the W Hotel in Downtown Scottsdale with 224 rooms and the 293-room InterContinental Montelucia in Paradise Valley.

Since 2002, other completed market area properties include the 950-room JW Marriott Desert Ridge hotel and the 732-room Westin Kierland Resort, both of which are located in Phoenix near the Scottsdale border.

The emergence of upscale “urban chic” properties in Downtown Scottsdale began in late 2005 with the opening of the renovated Hotel Valley Ho resort (193 rooms). More recently, an existing property was re-branded as the Saguaro Hotel (194 rooms) which included a \$10 million dollar renovation that embraces the spirit of the Southwest. The Best Western Sundial hotel (54 rooms) also opened in downtown Scottsdale in 2009.

## Property Inventory

Table 6 (p. 17) lists the existing hotel properties within the Scottsdale/Paradise Valley market area. The properties are classified by facility type, and also provide room and general manager information.

*Note: Prior to the 2004 Lodging Statistics Report, hotels were classified as Luxury, Moderate, and Limited Service. The hotels have been reclassified, based on Smith Travel Research information, as Resort, Full Service, and Limited Service, to better describe hotel facilities.*

## Did you know?

The market area has absorbed nearly 1,600 rooms since 2002.





<b>Table 6</b> <b>Resort Hotel Properties</b> <i>Scottsdale/Paradise Valley Market Area</i>			
<b>Property Name</b>	<b>General Manager</b>	<b># of Rooms</b>	<b>Location</b>
The Boulders	Stephen Ast	160	Scottsdale
Carefree Resort & Villas	Candy Scott	234	Carefree
Desert Ridge Marriott	Steve Hart	950	Phoenix
Doubletree Paradise Valley Resort	Doug Heaton	378	Paradise Valley
Fairmont Resort	Jack Miller	649	Scottsdale
FireSky Resort & Spa	Jim Hollister	204	Scottsdale
Four Seasons Resort	Vince Parrotta	210	Scottsdale
Hyatt Regency Scottsdale	Peter Rice	493	Scottsdale
InterContinental Montelucia	Valeriano Antonioli	293	Paradise Valley
Marriott JW Camelback Inn	Jim Rose	453	Paradise Valley
Marriott at McDowell Mountain	Karen Chastain	270	Scottsdale
Millennium (McCormick Ranch)	Denis Artilles	150	Scottsdale
Orange Tree Golf Resort	Bruce Hamm	160	Phoenix
The Phoenician	Mark Vinciguerra	643	Phoenix
Royal Palms Inn	Pete Ells	119	Phoenix
Sanctuary Resort on Camelback	Mike Surguine	105	Paradise Valley
Scottsdale Cottonwoods Resort	Richard Ebright	171	Paradise Valley
Scottsdale Hilton Resort & Villas	Doug Heaton	235	Scottsdale
Scottsdale Plaza Resort	Kelly Reading	404	Paradise Valley
Scottsdale Resort & Conference Center	Brenda Weskamp	326	Scottsdale
Scottsdale Links Resort	Michelle Bertino	220	Scottsdale
Scottsdale Villa Mirage	Michael Brown	224	Scottsdale
Sheraton's Desert Oasis	Cassandra Wilkins	300	Scottsdale
Talking Stick Resort	Dennis Leong	496	SRPMIC
Westin Kierland Resort	Bruce Lange	732	Phoenix
Zona Resort Suites	Bruce Pittet	431	Scottsdale

Source: City of Scottsdale, Economic Development Department

<b>Table 6 (Continued)</b> <b>Full Service Hotel Properties</b> <i>Scottsdale/Paradise Valley Market Area</i>			
<b>Property Name</b>	<b>General Manager</b>	<b># of Rooms</b>	<b>Location</b>
Best Western Papago Inn	Christine Mischele	58	Scottsdale
Chaparral Suites	Tom Silverman	311	Scottsdale
CopperWynd	Amy Madden	32	Fountain Hills
Courtyard by Marriott (SRPMIC)	Melisa Gonzalez	158	SRPMIC
Hermosa Inn	Michael Gildersleeve	34	Paradise Valley
Hilton Garden Inn (Old Town)	DouglasThoene	199	Scottsdale
Hilton Garden Inn (Perimeter Center)	Michael Astanski	122	Scottsdale
Hospitality Suites	Steve Jackson	210	Scottsdale
Hotel Indigo Scottsdale	Richard Sandoval	126	Scottsdale
Hotel Valley Ho	Andrew Chippindall	193	Scottsdale
Inn at Eagle Mountain	Sandy Potter	42	Fountain Hills
Radisson (Fort McDowell)	Greg Carrish	246	Fort McDowell
Saguaro Hotel	Alan Klein	194	Scottsdale
Scottsdale Camelback Resort	Lori Entwistle	111	Phoenix
Scottsdale Marriott Suites	Shelia Foley	243	Scottsdale
Scottsdale Resort & Athletic Club	Brian Klein	85	Scottsdale
Scottsdale Thunderbird Suites	Jerry Halbert	120	Scottsdale
Best Western Sundial	Jude Nau	54	Scottsdale
W Hotel	Ren Hirose	224	Scottsdale

**Source:** City of Scottsdale, Economic Development Department

<b>Table 6 (Continued)</b> <b>Limited Service Hotel Properties</b> <i>Scottsdale/Paradise Valley Market Area</i>			
<b>Property Name</b>	<b>General Manager</b>	<b># of Rooms</b>	<b>Location</b>
aloft Tempe	Jamie Metzger	136	Tempe
Best Western Inn of Tempe	Senha Seth	107	Tempe
Holiday Inn Express North	Adam Hoagleund	122	Scottsdale
Comfort Inn (Fountain Hills)	Sam Trivedi	48	Fountain Hills
Comfort Suites	Tammy Martin	60	Scottsdale
Country Inn & Suites	Mary Huerta	162	Scottsdale
Country Inn & Suites (Tempe)	David Crum	83	Tempe
Courtyard by Marriott (Mayo)	Karen Boeck	124	Scottsdale
Courtyard by Marriott (North)	Greg James	153	Phoenix
Courtyard by Marriott (Old Town)	Anne Cvelich	180	Scottsdale
Quality Suites	Misty Thomas	140	Tempe
Extended Stay America	Chris Crawford	120	Scottsdale
Extended Stay Deluxe	Travis Cornell	106	Scottsdale
Fairfield Inn (North)	Sheryl Bortolotti	131	Phoenix
Gainey Suites	Richard Newman	162	Scottsdale
Hampton Inn Scottsdale	Michelle Thompson	130	Scottsdale
Hampton Inn/Suites (North)	Kelly Dewey	123	Phoenix
Hampton Inn/Suites (Tempe)	Pilar Spresser	162	Tempe
Hampton Inn/Suites (SRPMIC)	Lisa Fisher	101	SRPMIC
Holiday Inn (Fountain Hills)	Gary Levov	104	Fountain Hills
Holiday Inn Express	Trisha Ryno	170	Scottsdale
Homestead Scottsdale	Danny Guerra	121	Scottsdale
Homewood Suites by Hilton	Kristen Freeman	114	Scottsdale
Howard Johnson Scottsdale	Kristy Lewis	65	Scottsdale
Hyatt Place (Old Town)	Janet Woolf-Hof	127	Scottsdale
La Quinta	Shane Sandau	140	Scottsdale
Marriott TownePlace	Ryan Banks	131	Scottsdale
Motel 6	Annalyn Rhodes	122	Scottsdale
Motel 6 (Tempe)	Lisa Smith	100	Tempe
Pima Inn & Suites	Michelle Thompson	125	Scottsdale
Travel Lodge	Kristy Lewis	92	Scottsdale
Residence Inn Scottsdale North	Terry Mayberry	120	Scottsdale
Residence Inn Scottsdale/PV	Edie Mayer	122	Scottsdale
Scottsdale Park Suites	Favy Torres	95	Scottsdale
Sleep Inn	Kelly Dewey	107	Phoenix
Smoke Tree Resort	Colin Williams	26	Paradise Valley
Springhill Suites	Greg James	121	Phoenix
Hyatt House	David Murray	164	Scottsdale
The Clarion Hotel Scottsdale	Adam Schanze	211	Scottsdale
Three Palms Resort Oasis	Sanford Potter	119	Scottsdale
Wingate by Wyndham Scottsdale	Lacey Valentine	117	Scottsdale

Source: City of Scottsdale, Economic Development Department

## VII. AVERAGE ROOM RATES AND OCCUPANCY

### Average Room Rates

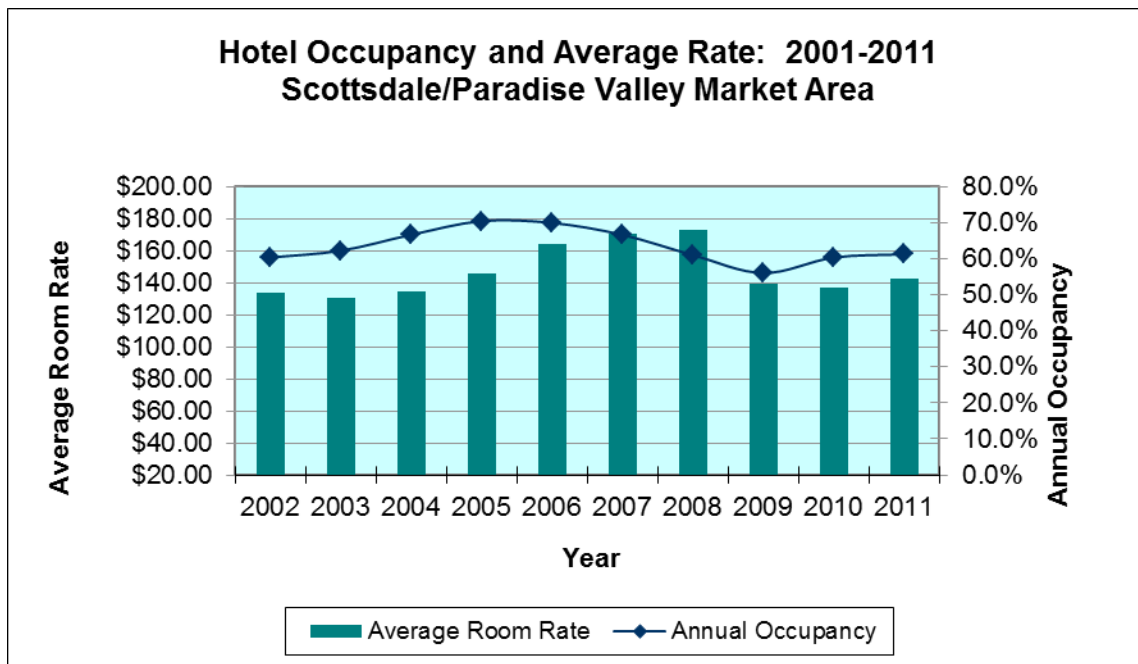
The City of Scottsdale, Economic Development Department provided estimates for average room rates from 1992 to 1999. In 2000, the Economic Development Department began using data from Smith Travel Research (STR). This research provides an indication of trending and competitive performance the City did not have access to before.

*Chart 1* illustrates the average room rates within the Scottsdale/Paradise Valley market area since 2002. *Table 7* (p. 21) represents the same data. Smith Travel Research reports the average room rate for Scottsdale/Paradise Valley market area hotels in 2011 was \$145.98, up from \$136.99 in 2010.

### Average Occupancy

In addition to using STR data for average room rates, the Economic Development Department began using STR for occupancy information in 2000. According to STR, hotels in the Scottsdale/Paradise Valley market area experienced an occupancy rate of 61.2 percent in 2011, a rise from 60.3 percent in 2010.

Occupancy rates for the last ten years are shown on *Table 7* (p. 21) and illustrated in *Chart 1*.



<b>Table 7</b> <b>Occupancy &amp; Average Rate</b> <i>Scottsdale/Paradise Valley Market Area</i>							
Year	Avg. Room Rate	x	Occupied Rooms	=	Gross Room Revenue	Room Supply	Annual Occupancy*
2002	\$133.63	x	2,517,138	=	\$336,365,151	4,175,407	60.3%
2003	\$130.84	x	2,539,213	=	\$332,230,629	4,081,474	62.2%
2004	\$134.20	x	2,755,729	=	\$369,818,832	4,138,776	66.6%
2005	\$145.31	x	2,726,848	=	\$396,238,283	3,872,943	70.4%
2006	\$164.19	x	2,782,578	=	\$456,871,482	3,982,638	69.9%
2007	\$170.59	x	2,657,005	=	\$453,258,483	3,990,500	66.6%
2008	\$172.26	x	2,457,869	=	\$423,392,514	4,030,283	61.0%
2009	\$139.28	x	2,327,536	=	\$324,179,214	4,154,413	56.0%
2010	\$136.99	x	2,508,930	=	\$343,698,321	4,163,920	60.3%
2011	\$145.98	x	2,524,950	=	\$368,592,201	4,135,976	61.2%

Source: Smith Travel Research

\*Occupied Rooms divided by Room Supply



## VIII. ROOM REVENUES VERSUS TOTAL HOTEL REVENUES

*Table 8* compares the total room revenues to total hotel revenues for Scottsdale hotels, thereby providing a means of assessing the relative importance of room revenues compared to all other revenue sources within the hotels (food, beverage, gift shop, and recreational sales).

Over the past ten years, room revenues provided an average of 60.1 percent of total hotel revenues at Scottsdale properties. Since 2002, room revenues as a percentage of total hotel revenues have generally stayed in the 57-62 percent range. The contribution of room revenues as a percentage of total hotel revenues increased from 1996 to 2001.

Until 2008, the trend showed the percentage of room revenue decreasing relative to overall revenue and non-room revenue showing a relative increase within the City of Scottsdale.

In 2008 and 2009, the figures for total room revenue and total hotel revenue both continued to drop significantly due to the slowing economy. However, the percentage of room revenues to hotel revenues increased to 62% in 2008 and 61% in 2009 and 2010. This increase is likely a reflection of the slowing overall national economy as visitors became more frugal with non-room expenditures. 2011 room revenues to hotel revenues continue to show this trend.

*Table 9* and *Chart 2* (p. 23) presents a comparison of total room revenues, total bed tax paid, and total privilege tax paid for Resort, Full Service, and Limited Service hotel/motels for calendar year 2011.

*Note: Tables 8 and 9 refer solely to properties within Scottsdale. These properties are listed in the Scottsdale section of Table 1.*

### Did you know?

The percentage of room revenues to total hotel revenues in 2011 was 62.6 percent.

<b>Table 8</b> <b>Room Revenue vs. Total Hotel Revenue*</b> <i>City of Scottsdale</i>			
<b>Year</b>	<b>Total Room Revenue</b>	<b>Total Hotel Revenue</b>	<b>Room Revenue as % of Hotel Revenue</b>
2002	\$228,261,533	\$395,366,643	59.2%
2003	\$223,773,433	\$383,813,500	57.7%
2004	\$247,986,323	\$422,604,186	58.3%
2005	\$268,823,783	\$441,296,718	58.7%
2006	\$312,478,767	\$523,963,030	59.6%
2007	\$324,725,700	\$561,259,697	57.9%
2008	\$299,229,502	\$481,624,704	62.1%
2009	\$226,988,494	\$366,964,525	61.9%
2010	\$248,254,906	\$403,369,537	61.5%
2011	\$253,335,435	\$404,786,981	62.6%
Avg 02-11	\$263,385,788	\$438,504,952	60.1%

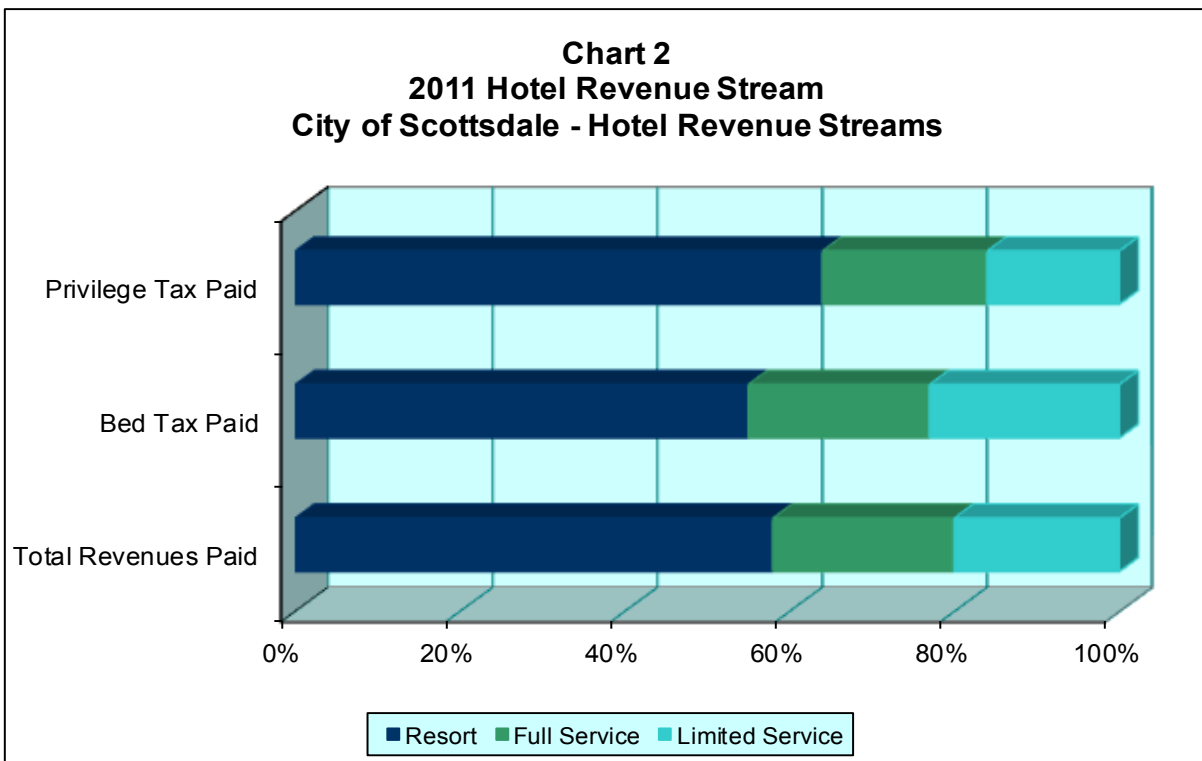
Source: City of Scottsdale, Financial Services Department, Tax Audit Division

\*Based on revenues generated at properties within the City of Scottsdale

<b>Table 9</b> <b>Hotel Revenue Streams</b> <i>City of Scottsdale</i> For 12 months ending December 2011			
	<b>Total Revenues Paid</b>	<b>Bed Tax Paid</b>	<b>Privilege Tax Paid</b>
<b>Resort</b>	58%	55%	64%
<b>Full Service</b>	22%	22%	20%
<b>Limited Service</b>	20%	23%	16%
<b>Total</b>	100%	100%	100%

**Source:** City of Scottsdale, Financial Services Department, Tax Audit Division

**Note:** Percentages may not add up to 100% due to rounding



**Source:** City of Scottsdale, Financial Services Department, Tax Audit Division

**Note:** Percentages may not add up to 100% due to rounding



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## IX. MARKET AREA GOLF, SPAS, AND DESTINATION EVENTS

Tourism in the City of Scottsdale is driven by several factors—destination resorts, special events, golf, desert environment, southwestern culture, and, of course, warm winters. This section provides an overview of the market area’s golf courses, spa facilities, and special events.

### Golf

Tourists account for approximately 40 percent of golf play in Scottsdale, and accomplish a great deal of that play during peak season (January through April).

*Table 10* (p. 25) lists the golf courses in the Scottsdale/Paradise Valley market area. *Map 2* (p. 27) shows where many of those golf courses are located. Access to private courses is not necessarily available to visitors. Further, some golf courses are open only to guests of adjacent hotels.

### Did you know?

Scottsdale is widely known for its spectacular golf courses, recreational amenities, climate, five-star resorts, numerous events and attractions, the Sonoran desert, world-class restaurants, and art galleries.





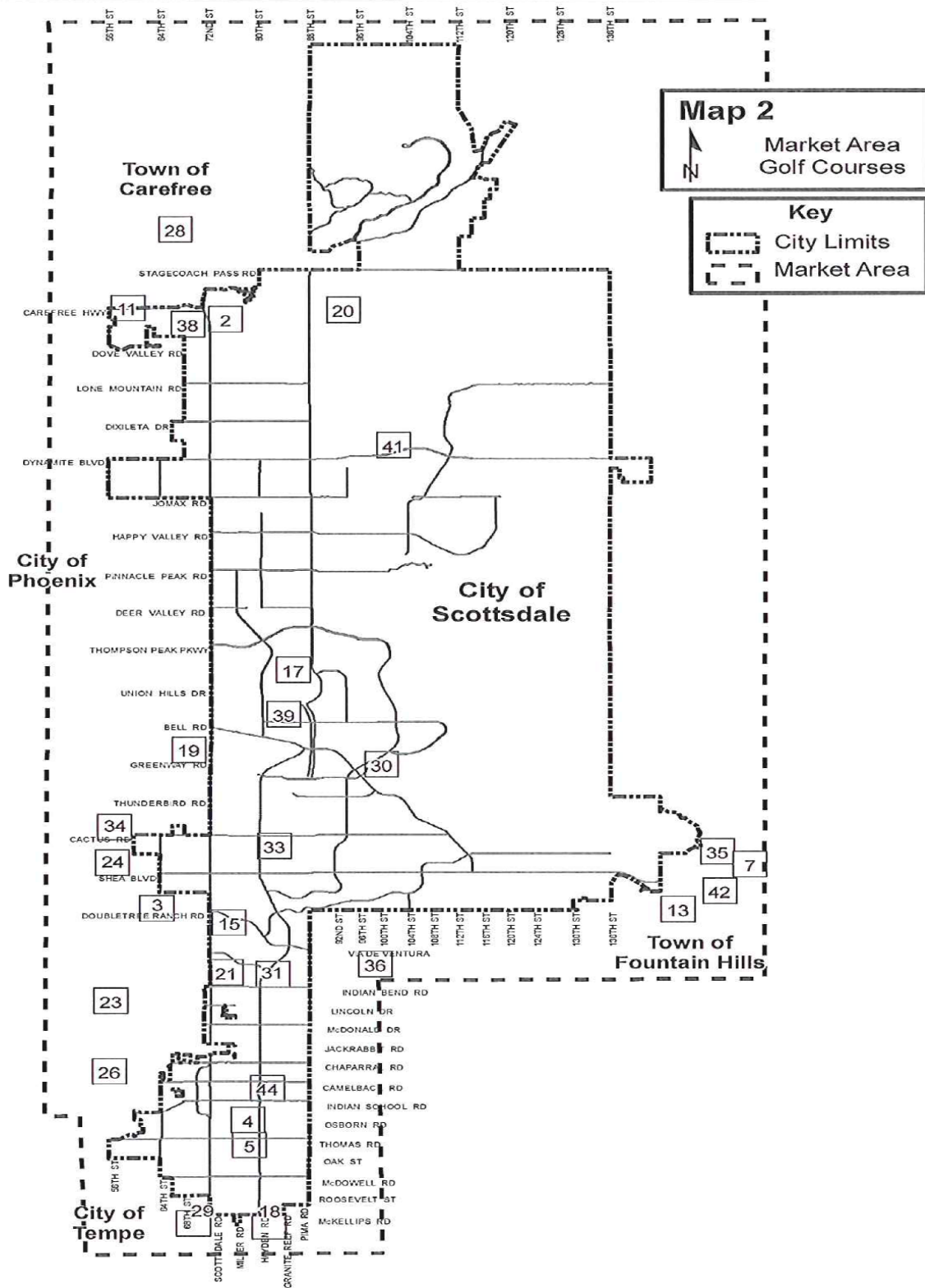
**Table 10**  
**Golf Courses**  
*Scottsdale/Paradise Valley Market Area*

Key	Course Name	Location	Holes	Course Design	Course Type	Par	Architect
1	Ancala C.C.	Scottsdale	18	Desert	Private*	72	Dye Design
2	Boulders Golf Club	Carefree	36	Desert	Semi-Private	72	Jay Morrish
3	Camelback Golf Club	Scottsdale	36	Traditional	Semi-Private	72	Arthur Hills/Jack Snyder
4	Continental Golf Club	Scottsdale	18	Traditional	Public	60	Hardin/Nash
5	Coronado Golf Course	Scottsdale	9 (exec)	Traditional	Public	31	Coggins/Lambe
6	DC Ranch C.C.	Scottsdale	18	Traditional	Private*	71	Lehman/Fought
7	Desert Canyon	Fountain Hills	18	Desert	Public	71	John Allen
8	Desert Highlands	Scottsdale	18	Desert	Private*	72	Jack Nicklaus
9	Desert Forest	Carefree	18	Desert	Private*	72	Robert Lawrence
10	Desert Mountain	Scottsdale	108	Desert	Private*	72	Jack Nicklaus
11	Dove Valley Ranch	Cave Creek	18	Desert	Public	72	Robert T. Jones Jr
12	The Estancia Club	Scottsdale	18	Desert	Private*	72	Tom Fazio
13	Eagle Mountain	Fountain Hills	18	Desert	Public	71	Scott Miller
14	Firerock C.C.	Fountain Hills	18	Desert	Private*	72	Gary Panks
15	Gainey Ranch	Scottsdale	27	Traditional	Private/Resort	72	Benz/Poellot
16	Golf Club of Scottsdale	Scottsdale	18	Desert	Private*	72	Jay Morrish
17	Grayhawk Golf Club	Scottsdale	36	Desert	Public	72	Graham/Panks/Fazio
18	Karsten (ASU)	Tempe	18	Scottish Links	Public	70	Pete Dye
19	Kierland Golf Club	Scottsdale	27	Desert	Public	72	Scott Miller
20	Legend Trail Golf Club	Scottsdale	18	Desert	Public	72	Rees Jones
21	McCormick Ranch	Scottsdale	36	Traditional	Public/Resort	72	Desmond Muirhead
22	Mcdowell Mountain Golf Club	Scottsdale	18	Desert	Public	71	Randy Heckenkamper
23	Mirabel Club	Scottsdale	18	Links	Private*	72	Tom Fazio
24	Mountain Shadows	Paradise Valley	18	Traditional	Semi-Private	56	Jack Snyder
25	Orange Tree	Phoenix	18	Traditional	Public/Resort	72	Bulla/Hughes
26	Paradise Valley C.C.	Paradise Valley	18	Traditional	Private*	72	Lawrence Hughes
27	The Phoenician	Scottsdale	27	Desert	Public/Resort	70	Flint & Robinson
28	Pinnacle Peak C.C.	Scottsdale	18	Traditional	Private*	72	Dick Turner
29	Rancho Manana	Cave Creek	18	Desert	Semi-private	70	Bill Johnson
30	Rio Salado	Tempe	9	Traditional	Public	34	Mike Morely

Table 10 (Continued)						
Key	Course Name	Location	Holes	Course Design	Course Type	Par Architect
31	Silverado Golf Club	Scottsdale	18	Traditional	Public	70 Gilmore/Graves
32	Silverleaf Club	Scottsdale	18	Desert	Private*	72 Tom Weiskopf
33	Starfire at Scottsdale C.C.	Scottsdale	27	Traditional	Semi-private	70 Arnold Palmer
34	Stonecreek Golf Club	Phoenix	18	Links	Semi-private	71 Arthur Hills
35	SunRidge Canyon Golf Club	Fountain Hills	18	Desert	Public	71 Keith Foster
36	Talking Stick Golf Club	SRPMIC	36	Traditional/Links	Public	70 Crenshaw/Coore
37	Tatum Ranch Golf Club	Cave Creek	18	Desert	Private*	72 Robert Cupp
38	Terravita	Scottsdale	18	Desert	Semi-private	72 Casper/Nash
39	TPC	Scottsdale	36	Desert	Public/Resort	71 Weiskopf/Morrish
40	Troon C.C.	Scottsdale	18	Desert	Private*	72 Tom Weiskopf
41	Troon North Golf Club	Scottsdale	36	Desert	Public/Resort	72 Weiskopf
42	We-ko-pa Golf Club	Fountain Hills	36	Desert	Public	72 Scott Miller
43	Whisper Rock	Scottsdale	36	Desert	Private*	72 Mickelson/Stephenson/Fazio
44	Villa Monterey	Scottsdale	9 (exec)	Desert	Public	30 Jack Snyder

Source: City of Scottsdale, Economic Development Department

\*Private golf courses are not shown on Map 2



## Destination Spas

In addition to golf, tourists are attracted to Scottsdale's destination spas, where they can enjoy rejuvenating and relaxing amenities unique to the Arizona desert. *Table 11* lists some of the destination spas located at resorts in the Scottsdale/Paradise Valley market area.

## Special Events

Numerous special events take place in the Scottsdale/Paradise Valley market area throughout the year. The City of Scottsdale supports many of these events through the use of bed tax funds. Specifically funded are those events that meet the desired themes – art/culture, culinary, golf, outdoor sports/recreation, and western. Some of the major special events held in Scottsdale are listed in *Table 12* (p. 29).

<b>Table 11</b> <b>Destination Spas</b> <i>Scottsdale/Paradise Valley Market Area</i>	
<b>Spa Name</b>	<b>Location</b>
Agave	The Westin Kierland Resort
Alvadora Spa	Royal Palms Inn
Amansala Spa	Scottsdale Resort & Conference Ctr.
Amethyst Spa & Boutique	Radisson Fort McDowell
Bliss Spa	W Scottsdale Hotel & Residence
Centre for Well-Being	The Phoenician
Eurasia Spa	Scottsdale Resort & Athletic Club
Golden Door Spa	The Boulders
Joya Spa	Intercontinental Montelucia Resort
Jurlique Spa	Firesky Resort & Spa
The Natural Healing Garden	Orange Tree Golf Resort
Revive Spa	Desert Ridge Marriott
Running Water Spa	Scottsdale Camelback Resort
The Saguaro Spa	Saguaro Hotel
The Salon & Day Spa	Scottsdale Plaza Resort
The Sanctuary Spa	Sanctuary Resort on Camelback
Spa	Scottsdale Villa Mirage
Spa	Scottsdale Links Resort
Spa at the Four Seasons	Four Seasons Resort
Spa Avania	Hyatt Regency Scottsdale
The Spa	Carefree Resort & Villa
The Spa at CopperWynd	CopperWynd
The Spa at Gainey Village	Gainey Suites
The Spa	Marriott Camelback Inn
The Spa at Talkingstick	Talkingstick Resort
VH Spa	Hotel Valley Ho
Willow Stream	Fairmont Princess Resort

Source: Scottsdale Convention and Visitor's Bureau; Economic Development Dept.

<b>Table 12</b>
<b>Selected Scottsdale Events*</b>
<b>January</b>
Sun Country Circuit Quarter Horse Show
Barrett Jackson Collector Car Event
Waste Management Phoenix Open Golf Tournament
P.F. Chang's Rock-n-Roll Marathon & 1/2 Marathon
Russo & Steele Sports and Muscle in Scottsdale
Tostitos Fiesta Bowl (Glendale)
<b>February</b>
Parada del Sol Parade and Rodeo
Baseball Festival
Scottsdale Arabian Horse Show
<b>March</b>
San Francisco Giants Spring Training
Scottsdale Arts Festival
<b>April</b>
Arizona Bike Week
Polo Series Finale
Region 7 Arabian Championship Show
Scottsdale Culinary Festival
<b>May - August</b>
Summer Spectacular Art Walk
<b>September - October</b>
Arabian Breeder Final
Artfest of Scottsdale
<b>November - December</b>
Goodguys Car Show
Scottsdale Fall for the Arts
Thunderbird Emporium
<b>Ongoing Activities</b>
Celebration of Fine Art - January through March
Native Trails - January through March
Scottsdale Art Walk - Year-round

\*All events listed are held in Scottsdale unless otherwise noted.  
For a comprehensive list of events, visit [www.scottsdalecvb.com](http://www.scottsdalecvb.com)